

State of California

Franchise Tax Board-Legislative Services Bureau

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Legislative Change No.

10-27

Bill Number: ABX6 11

Author: Hill

Chapter Number: **10-2**

Laws Affecting Franchise Tax Board: Sections 17207.8 and 24347.10 of the Revenue and Taxation Code

Date Filed with the Secretary of State: October 19, 2010

SUBJECT: Disaster Loss Deduction/Excess Loss Carryover/September 2010 San Mateo County Explosion and Fire

Assembly Bill X6 11 (Hill), as enacted on October 19, 2010, made the following changes to laws impacting the Franchise Tax Board:

Sections 17207.8 and 24347.10 of the Revenue and Taxation Code are added.

Under the personal income and corporation tax laws, this act allows disaster loss treatment for losses sustained as a result of the explosion and fire that occurred in San Mateo County in September 2010.

This act allows a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to deduct the loss in the preceding year, this act allows the taxpayer an extended period to file an amended return for the prior year. This act also allows special carry forward treatment for up to 15 taxable years for excess losses incurred as a result of the disaster.

This act is an urgency measure and is effective and operative immediately upon enactment.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/08/10